

Health Care Cost Measures
Health Care Quality and Cost Council Annual Meeting
June 25, 2009

I. Comparison of health care cost measures listed in the Commonwealth Fund's *State Scorecard* to those tracked by the Division Of Health Care Finance and Policy

Measures related to "Avoidable Hospital Use and Costs" as listed in the Commonwealth Fund's <i>State Scorecard</i>	Measures tracked by DHCFP (and data source)
Hospital admissions for pediatric asthma	Preventable hospitalizations by condition (DHCFP hospital discharge data)
Percent of asthmatics with Emergency visit	Non-emergent visits to ED by condition (DHCFP outpatient ED dataset) – (<i>as percent of ED visits</i>)
Medicare hospital admissions for ambulatory care sensitive conditions	Preventable hospitalizations by payer (DHCFP hospital discharge data)
Medicare 30-day hospital readmissions as percent of admissions	30-Day readmissions by payer (DHCFP discharge data set)
Percent of long-stay nursing home residents with a hospital admission	Preventable and non-preventable admissions for nursing home residents, PACE, SCO, Waiver (DHCFP discharge dataset/MassHealth program membership files)
Percent of home health patients with a hospital admission	Preventable and non-preventable admissions for PACE, SCO, Waiver only
Total single premium per enrolled employee in private sector employment	Premiums for single, family (lowest cost and highest) by sector – (DHCFP)
Total Medicare (Parts A&B) reimbursements per enrollee	Health care expenditures per enrollee – Medicare, Medicaid, all other (DHCFP/CMS)

II. Measures of health care costs and efficiency (including trends and levels) as tracked by the Division of Health Care Finance and Policy

A. Overall Health Care Expenditures (personal healthcare expenditures, excludes administrative costs):

- Total Health Care Expenditures
- Health Care Expenditures per Capita
- Health Care Expenditures per Capita by Service Type (Hospital, Physician, Prescription Drugs, Nursing Home, Other)
- Health Care Expenditures (Medicare, Medicaid, All Other)
- Health Care Expenditures per Enrollee (Medicare, Medicaid, All Other)
- Health Care Expenditures as Percent of GDP
- Growth in Per Capita Health Care Expenditures Compared to Other Economic Indicators (CPI, wages, GDP)

B. Hospital Costs (costs are based on hospital charges for medical care with “cost to charge ratio” applied):

- Total Costs for Emergency Department Visits
- Total Costs for Inpatient Stays (All Hospitals, Teaching, Community, DSH, Non-DSH)
- Cost per ED visit
- Cost per Inpatient Episode (All Hospitals, Teaching, Community, DSH, Non-DSH)
- Cost per Inpatient Day (All Hospitals, Teaching, Community, DSH, Non-DSH)
- Total and Average Costs Associated with End of Life Care (Differences by hospital type)

C. Potentially Avoidable Costs: (costs are based on hospital charges for medical care with “cost to charge ratio” applied):

- Costs Associated with Preventable Hospitalizations (ambulatory care sensitive (ACS) conditions requiring inpatient hospitalization); total and as percent of all hospital admissions – by condition
- Costs Associated with Non-Emergent Visits to the Emergency Department (urgent but ACS conditions and non-emergent conditions); total and as percent of all ED visits – by condition
- Costs for Potentially Preventable Readmissions (Readmission within 30 days)
- Costs for Potentially Preventable Readmissions (Readmission within 15 days)
- Costs for Potentially Preventable Readmissions by Diagnosis (top 25)
- Preventable and Non-Preventable Admissions for Nursing Home residents, SCO Participants, Waiver, PACE

D. Premium and Administrative Costs:

- Annual Health Insurance Premium per Enrolled Employee (All, Individual and Family)
- Average PM/PM Premium by Market Sector, Unadjusted (individual, small group, mid-sized group, large group)
- Average PM/PM Premium by Market Sector, Adjusted* (individual, small group, mid-sized group, large group) *adjusted for differences in age, gender, region

- Individual and Family Premiums for Lowest Cost and Highest Cost Plan by Market Sector (individual, small group, mid-sized group, large group)
- Proportion of premiums and trends due to medical vs. administrative costs (medical loss ratios)
- Average Premium Equivalent* for Self-Insured Sector **premium equivalent = medical claims cost plus administrative fees)*

E. Payments for Hospital and Non-Hospital Services from Claims Data from Private Market: (Costs here reflect health plan payments made, "allowed amounts")

PM/PM Spending:

- Hospital Inpatient Services by Market Sector (individual, small group, mid-sized group, large group)
- Hospital Outpatient Services by Market Sector
- Physician Services by Market Sector
- Prescription Drugs (total)
- Hospital Inpatient Services by EMS region (Teaching vs. Community Hospitals)
- Hospital Outpatient Services by EMS region (Teaching vs. Community Hospitals)
- Hospital Outpatient Services by EMS region (Teaching vs. Community Hospitals)

Payment per Admission/Price per procedure:

- Payment per Admission (for specific DRGs)
- Payment per Admission (for specific DRGs, by hospital type (teaching vs. community))
- Payment per procedure (most frequently billed services)
- Range and variance in prices paid for specific DRG's and procedures (by region, teaching vs. community hospital, other)

Decomposition of Cost Trends (volume vs. price vs. intensity):

- Total Change in Payments Made (overall and by service for top DRGs and top services)
- Proportion of Change in Payments that is Due to Change in Number of Visits per Claim
- Proportion of Change in Payments that is Due to Change in Number of Services per Visit
- Proportion of Change in Payments that is Due to Change in Unit Prices
- Proportion of Change in Payments that is Due to Change in Mix of Services (shift to higher or lower cost services)